

Message Text

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TO SECSTATE WASHDC 0341

INFO AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL FRANKFURT

AMCONSUL HAMBURG

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TAGS: ELAB, GW, PGOV

SUBJECT: CONTROVERSY WITHIN THE COALITION ON MITBE-
STIMMUNG.

REF: BONN 0302

1. SUMMARY. FOLLOWING THE ELECTIONS IN NORTH RHINE-
WESTPHALIA AND THE SAARLAND, CHANCELLOR SCHMIDT, SPD,
AND FOREIGN MINISTER GENSCHER, FDP, INDICATED THAT THE
COALITION PARTNERS WOULD WORK FOR A NEW COMPROMISE MIT-
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BESTIMMUNG BILL WHICH BOTH CLAIM COULD BE PASSED DURING

THIS LEGISLATIVE PERIOD. THEY ALSO EXPRESSED THE HOPE THAT THE SEARCH FOR AN UNDERSTANDING ON THE PROVISIONS OF THE CURRENT BILL OVER WHICH THEY DISAGREE, WOULD NOT LEAD TO SERIOUS TENSION WITHIN THE COALITION. END SUMMARY.

2. THE SPD AND FDP STILL SHARPLY DIFFER ON THREE BASIC ISSUES; WHETHER OR NOT MANAGERIAL EMPLOYEES SHOULD HAVE SEPARATE REPRESENTATION, THE METHOD FOR RESOLVING TIE VOTES ON THE BOARDS OF SUPERVISORS, AND WHETHER OR NOT LABOR REPRESENTATIVES SHOULD BE ELECTED TO THE BOARDS OF SUPERVISORS DIRECTLY OR INDIRECTLY BY AN ELECTORAL COLLEGE SYSTEM.

3. A NEW FACTOR INFLUENCING A POSSIBLE COMPROMISE BETWEEN THE FDP AND THE SPD ON A MITBESTIMMUNG BILL IS THE STRING OF RECENT FDP ELECTION SUCCESSES IN A NUMBER OF THE FEDERAL LAENDER. A RECENT SURVEY SHOWED THAT MITBESTIMMUNG RANKS SIXTH AS AN ISSUE OF PUBLIC CONCERN. HOWEVER, THE FDP'S RESERVE ON MITBESTIMMUNG IN RECENT ELECTORAL CAMPAIGNS MAY NOT HAVE GAINED THEM VOTES BUT PROBABLY KEPT THEM FROM LOSING VOTES AMONG THE MIDDLE OF THE ROAD VOTERS.

4. WHAT FORM THE MITBESTIMMUNG BILL TAKES IS OF CENTRAL IMPORTANCE TO THE FDP. IF THE FDP APPEARS TO BE GIVING IN TO THE SPD ON THE THREE ISSUES MENTIONED ABOVE, THE LIBERAL PARTY COULD RISK LOSING SOME OF THE SUPPORT IT HAS RECENTLY GAINED AT THE POLLS. ONE FDP POLITICIAN TOLD AN EMBASSY OFFICER THAT IT WOULD BE BETTER TO HAVE NO BILL IN THIS LEGISLATIVE PERIOD THAN A BILL WHICH VIOLATES FDP PRINCIPLES. IF THE PRESENT BILL, WHICH IS IN BUNDESTAG COMMITTEE, PASSED WITHOUT THE CHANGES THE LIBERALS WANT, THIS SOURCE SAID, IT WOULD BE A SIGNIFICANT STEP TOWARD SOCIALIZATION (VERGESELLSCHAFTUNG) OF A MAJOR PART OF GERMAN INDUSTRY.

5. NEWS THAT SCHMIDT AND GENSCHER WERE PREPARED TO NEGOTIATE A SOLUTION TO THE PROBLEM QUICKLY REVIVED THE DEBATE ABOUT MITBESTIMMUNG. GRAF LAMBSDORFF, THE FDP LIMITED OFFICIAL USE

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ECONOMIC SPOKESMAN AND ONE OF THE MOST VOCAL CRITICS OF THE PRESENT DRAFT MITBESTIMMUNG BILL, TOOK THE POSITION IN PRESS STATEMENTS THAT THE RESULTS OF THE ELECTIONS IN NORTH RHINE-WESTPHALIA AND THE SAARLAND SUPPORT THE FDP POSITION ON SEPARATE REPRESENTATION OF LEITENDE ANGESTELLTE AND ON DIRECT ELECTIONS FOR LABOR REPRESENTATIVES TO THE BOARDS OF SUPERVISORS. LAMBSDORFF SAID THAT PARTS OF THE CURRENT BILL, ESPECIALLY THE SECTION WHICH TRIES

TO EVENLY BALANCE THE POWER OF THE LABOR REPRESENTATIVES
AND THE STOCKHOLDERS REPRESENTATIVES ON THE BOARDS OF
SUPERVISORS, WAS UNCONSTITUTIONAL. HE SAID THAT HE BE-
LIEVED THE CURRENT BILL COULD NOT BE PASSED.

6. MARTIN GRUENER, FDP STATE SECRETARY IN THE ECONOMIC
MINISTRY, IN COMMENTS TO THE PRESS, SAID THAT THE PRO-
BLEMS OVER MITBESTIMMUNG, THE MOST DIFFICULT WITHIN THE
COALITION, COULD NOT LIKELY BE SOLVED IN THIS LEGISLATIVE
PERIOD. THESE DIFFERENCES OF OPINION, IN HIS VIEW,
WOULD NOT LEAD TO A SERIOUS CONFLICT BETWEEN THE

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COALITION PARTNERS, BUT THEY WOULD CAUSE MITBESTIMMUNG TO BE POSTPONED. FOREIGN MINISTER GENSCHER, TAKING A MORE GENERAL VIEW, SAYING THAT THE ABILITY OF FIRMS TO MANAGE MUST BE MAINTAINED, THE RIGHT OF THE INDIVIDUAL WORKERS IN THE ELECTORAL PROCEDURES MUST BE GUARANTEED AND THAT THE PROVISIONS OF THE BILL, WHICH MIGHT POSSIBLY BE UNCONSTITUTIONAL, MUST BE EXCLUDED. IN A REMARK, WHICH COULD ONLY IRRITATE THE TRADE UNIONS, GENSCHER SAID THAT FOR THE FDP MITBESTIMMUNG WAS A RIGHT

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FOR INDIVIDUALS AND NOT OF ORGANIZATIONS.

7. THE SPD HAS BEEN MORE OPTIMISTIC. GOVERNMENTAL SPOKESMAN, DR. ARMIN GRUENEWALD, SAID THAT THE BILL WAS NOT UNCONSTITUTIONAL AND THAT ONLY A FEW TECHNICAL PROBLEMS, WHICH WERE COMPLETELY SOLVABLE, REMAIN. FRIEDHELM FARTHMAN, THE SPD AND DGB'S LEADING EXPERT ON MITBESTIMMUNG, SAID THAT THE SPD WAS NOT READY TO ABANDON ITS SUPPORT FOR THE SINGLE REPRESENTATION OF ALL WORKERS, I.E. TO ALLOW SEPARATE REPRESENTATION FOR THE MANAGERIAL EMPLOYEES.

8. WITH ALL THE DIFFERENCES OF OPINION WITHIN THE COALITION, THE CDU COULD, AS USUAL, AFFORD TO REMAIN COMFORTABLY SILENT ON THE ISSUE.

GREATER RESOLVE BY FDP LEADERS TO OPPOSE REVISIONS OF THE BILL WHICH THEY FIND OBJECTIONABLE, HAS MADE THE LEADING ADVOCATES OF THE EXTENSION OF PARITY MITBESTIMMUNG, THE TRADE UNIONS, ALSO LESS WILLING TO COMPROMISE THEREBY MAKING IT EVEN MORE UNLIKELY THAT A BILL WILL BE PASSED DURING THIS LEGISLATIVE PERIOD. SAYING THAT THE WORKERS IN THE FACTORIES MUST NOT BE DIVIDED, DGB PRESIDENT VETTER PREDICTED THAT THE UNIONS WOULD DECISIVELY REJECT THE POSITION OF THE FDP AT THE DGB CONVENTION IN MAY. THE FOREMOST ADVOCATE OF THE EXTENSION OF PARITY MITBESTIMMUNG, EUGEN LODERER, PRESIDENT OF THE METALWORKERS UNION, SPECULATED PUBLICLY FOR THE FIRST TIME THAT IT MIGHT BE BETTER NOT TO HAVE A BILL RATHER THAN PASS UNACCEPTABLE LEGISLATION WHICH MIGHT LAST FOR AT LEAST TEN YEARS.

9. SPD AND FDP LEADERS HAD PLANNED TO TRY TO IRON OUT DIFFERENCES BETWEEN THE COALITION PARTNERS ON MITBESTIMMUNG ON MAY 13. HOWEVER ACCORDING TO PRESS REPORTS,

SUBSTANTIVE DIFFERENCES BETWEEN THE COALITION PARTNERS WERE NOT DISCUSSED AT THAT MEETING. AN FDP MEMBER OF THE BUNDESTAG EDUCATION AND SCIENCE COMMITTEE, WHO IS ESPECIALLY INTERESTED IN MITBESTIMMUNG, TOLD AN EMBASSY OFFICER THAT INSTEAD OF DISCUSSING SPECIFIC DIFFERENCES, THE MEETING WAS DEVOTED TO MAKING PEACE BETWEEN THE LIMITED OFFICIAL USE

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PARTNERS. HE AGREED THAT THE EXTENSION OF PARITY MITBESTIMMUNG BILL WOULD DIRECTLY AFFECT ONLY A FEW WORKERS AND THAT THE VOTERS WERE NOT ESPECIALLY INTERESTED IN MITBESTIMMUNG, BUT HE DEFENDED COALITION EFFORTS TO PASS THE BILL ON THE GROUNDS THAT THE MITBESTIMMUNG WAS NECESSARY SINCE THE COALITION HAD COMMITTED ITSELF TO SEVERAL SOCIAL REFORMS.

10. BUSINESS LEADERS FEEL THERE WILL BE NO MITBESTIMMUNG BILL BEFORE THE 1976 FEDERAL ELECTION, BUT THAT A BILL WITH WHICH THE BUSINESS COMMUNITY "CAN LIVE" WILL

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BE PASSED DURING THE NEXT LEGISLATIVE PERIOD. EVEN THE AMERICAN CHAMBER OF COMMERCE, WHICH HAD PREVIOUSLY BEEN A VOCIFEROUS OPPONENT OF MITBESTIMMUNG, DECIDED AT A RECENT BOARD MEETING NOT TO MAKE ANY FURTHER PUBLIC STATEMENTS ON THE ISSUE WHILE RETAINING ITS PREVIOUS POSITION "IN PECTORE". THIS NEW ATTITUDE OF THE CHAMBER IS MOTIVATED PARTLY BY OBJECTIONS TO THE PREVIOUS POSITION BY INFLUENTIAL MEMBERS AND PARTLY TO CONFIDENCE THAT THE OBJECTIONABLE PRESENT PROPOSAL WILL NEVER BE LIMITED OFFICIAL USE

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ENACTED.

11. COMMENT. WE ALSO BELIEVE THAT THE PROSPECTS FOR A MITBESTIMMUNG BILL BEFORE THE 1976 FEDERAL ELECTIONS ARE NOT GOOD AT THIS TIME FOR A NUMBER OF REASONS:

A) THE BUNDESTAG WILL RECESS FOR ITS SUMMER VACATION ON JUNE 23 LEAVING ONLY THREE WORKING WEEKS. NONE OF THE BUNDESTAG COMMITTEES HAVE COMPLETED THEIR REVIEWS AND REPORTS ON THE GOVERNMENT'S DRAFT BILL.

B ALTHOUGH THE SPD AND ITS REPRESENTATIVES IN THE GOVERNMENT HAVE WORKED OUT SOME POSSIBLE MINOR COMPROMISE CHANGES IN THE BILL, E.G. ON VOTING PROCEDURES OF STOCKHOLDERS, SO FAR THEY REMAIN FIRMLY OPPOSED TO FDP IDEAS ON CHANGING THE MANAGEMENT EMPLOYEE (LEITENDE ANGESTELLTE) PROVISIONS OF THE BILL.

C AFTER THE BUNDESTAG SUMMER VACATION, THE 1976 BUNDESTAG ELECTION CAMPAIGN WILL START AND THE POLITICAL CLIMATE FOR NEW COMPROMISES BETWEEN THE FDP AND SPD DOES NOT APPEAR FAVORABLE.

HOWEVER, BETWEEN NOW AND THE SUMMER VACATION PERIOD, THE DGB AND THE SPD WILL USE TWO NATIONAL MEETINGS OF THE DGB NATIONAL CONVENTION MAY 25 TO 31 AND THE SPD NATIONAL

COUNCIL FOR LABOR PROBLEMS JUNE 13 TO 15 TO SET THE
STAGE FOR INCREASING WORKER AND PUBLIC OPINION PRESSURE
FOR BUNDESTAG ACTION ON THE GOVERNMENT BILL. WHETHER
THIS ACTION WILL CHANGE THE PRESENT UNFAVORABLE CLIMATE
REMAINS UNCLEAR. END COMMENT
HILLENBRAND

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